

State Agency Buy Recycled Campaign Results for Fiscal Year 2014–2015



California Department of Resources Recycling and Recovery

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STATE OF CALIFORNIA

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Executive Summary

In Fiscal Year 2014–15, state agencies spent \$204 million on products included in the statutorily mandated purchasing categories in the State Agency Buy Recycled Campaign (SABRC). Of these purchases, about \$134 million were compliant with the SABRC post-consumer recycled content requirements.

However, many state agencies were not compliant with the purchasing requirements in specific categories. Consequently, in June 2016 CalRecycle referred 44 agencies to the Department of General Services for notification as part of that Department's annual review of state agencies' delegated purchasing authority. Information about any specific agency can be found in the SABRC section on the CalRecycle website: <http://www.calrecycle.ca.gov/BuyRecycled/StateAgency/Status.htm>.

Moreover, the \$134 million in compliant purchases constitutes only about 7 percent of the approximately \$1.9 billion of state product purchases in FY 2014–15. This percentage likely would be even lower if placed in the context of the approximately \$13.4 billion spent on service contracts, which include some non-reported product purchases.

While 2014 legislation that increased SABRC's overall procurement requirement to 75 percent for most categories should help drive some additional recycled content procurement, the SABRC program is not achieving its potential, and further statutory changes could provide greater direction and state agency accountability and facilitate greater procurement. Proposed changes include adding categories for additional products; updating the minimum content requirements in some existing categories; and providing CalRecycle with enforcement authority to address SABRC noncompliance.

Overview of State Agency Purchasing Requirements

Public Contract Code sections 12200–12217 require state agencies to choose products made with post-consumer recycled content (PCRC) and require state agencies to report to CalRecycle annually on the results of their recycled content purchases within 11 categories of material types. Each state agency must ensure that at least 50 percent of reportable purchases within these categories are recycled products.

This report summarizes state agency purchasing compliance, based on FY 2014–15 SABRC annual reports; the status of ongoing efforts with the Department of General Services (DGS); monitoring of and technical assistance provided to state agencies;

status of FI\$Cal and SABRC integration; and potential statutory changes to improve the program. Appendix A provides details on product categories with low purchase rates. Information about agency-specific and statewide compliance also is available on [CalRecycle's SABRC "How Are We Doing?" webpage](#).

State government procurement decisions are directly linked to the climate change goals of AB 32 (Nunez, Chapter 488, Statutes of 2006) and the 75 percent statewide recycling goal of AB 341 (Chesbro, Chapter 476, Statutes of 2011). These purchasing decisions impact greenhouse gas (GHG) emissions and the carbon footprint of state operations, and offer an opportunity to increase markets for post-consumer recycled content (PCRC) products, which is critical to AB 341's focus on strengthening recycling manufacturing markets. Accordingly, the ARB's Scoping Plan Update and [CalRecycle's AB 341 Report to the Legislature](#) identify increased state procurement as priorities.

However, existing law does not provide any enforcement or penalty mechanism for non-submittal of the annual report or noncompliance with the purchasing requirements. To date, CalRecycle's only recourse for addressing the noncompliance of state agencies is for the Department's director to send a letter to other agency and department directors about non-responsive agencies, post information on the public website, and forward a list of noncompliant agencies to DGS. DGS then reviews these agencies as part of its annual evaluation of state agency delegated purchasing authority (see the section titled "Ongoing Collaboration with DGS" for more details).

Two recent legislative changes have affected the scope and goals of the program. First, effective January 1, 2015 (pursuant to Assembly Bill 2490 [Eggman, Chapter 342, Statutes of 2014]), California District Agricultural Associations or Fairs are excluded from the definition of "state agency" for purposes of the provisions in the Food and Agricultural Code section 4061(a). As such, DAAs are no longer required to submit a SABRC report. However, while AB 2490 exempts DAAs from reporting requirements related to recycled content product purchases, each DAA is still required to maintain and monitor its recycled content purchasing programs to ensure adherence to the SABRC purchasing requirements for state entities under Public Contract Code section 12153–12217.

Second, the overall goal for state agency procurement will increase to 75 percent beginning in 2020. Passed in 2014, AB 2675 (Lowenthal, Chapter 617, Statutes of 2014) increased, effective in 2020, the threshold for SABRC procurement to align with the statewide goal set by AB 341. AB 2675 requires each state agency to ensure that at least 75 percent of reportable purchases are recycled products on and after January 1, 2020, except for paint, antifreeze, and tires, which will remain at the 50 percent requirement.

Summary of State Agency Purchasing Compliance

For FY 2014–15, 151 state agencies, large state facilities, and the state university system were required to report their recycled content product purchases by October 31, 2015.* The majority of state agencies reported by the due date, and the remaining reported to CalRecycle by February 2016.

According to SABRC reporting, in FY 2014–15 these state agencies spent \$204 million in SABRC purchasing categories, of which about \$134 million of these purchases were SABRC-compliant or PCRC products. In FY 2013–14, state agencies spent \$209 million in SABRC purchasing categories, of which \$146 million of these purchases were SABRC-compliant. The total dollars spent on SABRC-compliant purchases in FY 2014–15 decreased from the previous year, due to the decrease in the number of agencies that were required to report (as noted above, beginning January 1, 2015, 52 DAAs/Fairs were no longer required to submit reports). In addition, although total dollars spent is down, the percentage of SABRC-compliant purchases decreased from the previous reporting year (Table 1).

Importantly, \$134 million represents only about 7 percent of the approximately \$1.9 billion of state product purchases in FY 2014–15[†], a percentage that likely would be even lower when considering that the approximately \$13.4 billion spent on services (for which the products purchased may not be reported separately from the services rendered).[‡]

* Note: The names and number of reporting agencies may have changed compared to FY 2013–2014 due to facility closures, restructuring, mergers, or agency elimination by the Governor’s budget.

[†] Figure based on IT & Non-IT Goods purchases as reported in eSCPRS (DGS’ Electronic State Contract and Procurement Registration System).

[‡] The Prison Industry Authority (PIA) also plays an important role in state agency purchasing. According to Penal Code Section 2807, a department must first consider if PIA can fulfill the department’s need prior to purchasing an item from commercial suppliers. Furthermore, state procurement procedures state that PIA should be the first source for purchases and DGS-governed contracts should be the second, followed by all other sources. PIA instructs state agencies to request a waiver if PIA is unable to provide a requested product, and it identifies some PCRC products on its website. CalRecycle continues to work with PIA on the post-consumer recycled content and SABRC compliancy of its available products.

Table 1: Overall Statewide SABRC Purchasing[§]

Report Year	Total SABRC Reportable Dollars	Total SABRC Compliant Dollars	% SABRC Compliant Spending
2014/15	\$204 million	\$134 million	65%
2013/14	\$209 million	\$145 million	70%
2012/13	\$306 million	\$192 million	62%

Table 2 below documents the statewide percentage of compliant purchasing for FY 2014–15 by SABRC category. Notably, 8 of the 11 product categories show statewide compliance rates of 50 percent or higher. The Metal Products category accounted for approximately 40 percent of all reported SABRC purchases, but it also exhibited a 13 percent decrease in compliance. This, in turn, contributed to the 6 percent decrease in the total statewide compliance for all categories. Table 2 also illustrates several product categories that show low compliance, such as antifreeze, paint and retread tires. These three categories, along with the glass category, have historically been low. In this reporting period, though, the glass category was compliant on an overall statewide basis. Appendix A provides additional explanation regarding the low compliance for these categories and CalRecycle’s plans to help address some of the barriers.

A number of factors can influence lower compliance rates, including state agency staff turnover, SABRC not being a priority for state agency management, limited vendor education, limited product availability in some categories, inaccurate reporting, and commodity-specific factors. In addition, under their delegated purchasing authority, some agencies purchase commodities and services independent of the DGS Procurement Division’s statewide contracts. In fact, more than 50 percent of state purchases are conducted outside the Procurement Division. These agencies may issue their own contracts and are required to reference the SABRC requirements that the contractors or subcontractors must follow. However, since the agency may not be monitoring, tracking, and reporting these purchases, the contractors or subcontractors may not be purchasing SABRC-compliant products.

For the FY 2014–15 cycle, CalRecycle identified 44 agencies that had relatively significant purchases but failed to meet the 50 percent purchasing requirement in one or more categories that are significant in terms of CalRecycle’s efforts to reach the 75

[§] Figures based on state spending as reported by state agencies in the SABRC Annual Report System.

percent statewide recycling goal.** These agencies did not provide a sufficient explanation regarding the deficiency. Thus, in June 2016 CalRecycle referred these 44 agencies to the DGS Purchasing Authority Unit as part of DGS' annual review.

Table 2: Statewide SABRC Purchasing by Product Category 2014–15††

Product Category	Total SABRC Reportable Dollars	Total SABRC Compliant Dollars	% SABRC-Compliant Spending	No. of Agencies Reporting in Each Category
Antifreeze	\$207,799.50	\$45,962.36	22	25
Compost, Co-compost Mulch	\$17,689,571.52	\$17,603,608.03	99	20
Glass Products	\$2,536,773.11	\$1,756,395.88	69	50
Lubricating Oils	\$1,943,464.87	\$1,093,397.66	56	44
Metal Products	\$86,064,689.71	\$57,567,408.88	66	133
Paint	\$2,130,959.12	\$948,001.27	44	38
Paper Products	\$21,054,150.31	\$12,971,918.85	61	142
Plastic Products	\$37,453,526.97	\$20,211,402.99	53	141
Printing and Writing Paper	\$24,029,152.98	\$16,863,002.01	70	149
Tire-Derived Products	\$ 3,999,072.53	\$3,717,404.27	92	32
Tires	\$6,774,889.62	\$783,223.48	11	43
Totals	\$203,884,050.24	\$133,561,725.68	65	

Ongoing Collaboration with DGS

CalRecycle and DGS establish and implement policies that promote the procurement of recycled content products. Ongoing collaboration activities between CalRecycle and DGS include the following:

- CalRecycle currently utilizes DGS' enhanced annual delegated purchasing authority renewal process as a tool to address noncompliant agencies. Agencies with

** This does not include approximately two dozen other agencies that were deficient in one or more categories but that provided a reasonable explanation regarding deficiencies. In addition, Appendix A describes several other categories (antifreeze, oil, retreads) that historically have had low recycled-content product purchasing percentages for various reasons.

†† Figures based on state spending as reported by state agencies in the SABRC Annual Report System.

delegated and/or statutory authority may purchase goods and services independently, including through service contracts where agencies may not report these expenditures separately from the services rendered and where the contractors and subcontractors may not be adhering to SABRC purchasing and reporting requirements. This is significant because more than 50 percent of state purchases are conducted outside of the DGS Procurement Division's statewide contracts. CalRecycle and DGS established a process, finalized in 2015, that includes CalRecycle identifying agencies or departments not meeting their SABRC requirements and reporting that information to DGS; at the same time, CalRecycle's director also sends a letter to these agencies' directors informing them they are not compliant in meeting the purchasing requirements in some categories, and offering CalRecycle assistance. DGS then informs the agencies about their noncompliance and directs each agency to inform CalRecycle about how it will address the deficiencies. Once the agencies/departments receive the notice, they are required to report to CalRecycle on how they will correct the deficiency. CalRecycle provides additional outreach, assistance, and training to those agencies or departments. This new process has proved to be extremely effective in getting agencies to address the deficiencies.

- CalRecycle is also a member of the [Performance and Environmental Standards \(PES\) workgroup](#), which is a subset of the Purchasing Authority Round Table. The PES work group meets bimonthly on topics related to the improvement and streamlining of purchasing specifications, policies, and procedures. The group is comprised of key delegation buyers from multiple agencies, Prison Industry Authority representatives, and environmental subject matter experts when needed. The goal of the work group in particular is to promote SABRC and statewide environmentally preferable purchasing throughout DGS and all agencies and departments. CalRecycle's assistance in the work group has included providing comments and edits to various documents such as the DGS Standard specifications, purchasing standards, and product specifications (for selected commodities). CalRecycle staff also provided feedback for Environmentally Preferable Purchasing (EPP) training for state agency buyers.
- CalRecycle is collaborating with DGS on implementing Governor Brown's Executive Order (B-18-12) related to existing buildings. CalRecycle is leading the Recycling and Waste Diversion work group and participating in other groups related to building and grounds (as part of the DGS Sustainability Taskforce). CalRecycle works with the California Government Operations Agency and DGS to provide input on the latest tools and topics to help the state achieve its sustainability goals.
- CalRecycle works with DGS' State Administrative Manual and State Contracting Manual units to submit updates on those manuals as needed. In 2015, CalRecycle submitted updates to both manuals to reflect SABRC purchasing requirements and

other new laws, such as those establishing extended producer responsibility programs for paint and used oil. Updating these manuals gives the latest and most accurate information to state agency procurement staff and contractors. The manuals are also used in the training of state agency procurement staff.

Monitoring and Assistance to State Agencies

In the past, CalRecycle would target and follow up with a small group of specific agencies that either were high spenders of noncompliant products or showed the need for assistance in multiple categories. Beginning with the FY 2013–14 and continuing through the FY 2014–15 review cycles, CalRecycle utilized more detailed tracking and correspondence to state agencies, the DGS' Delegated Purchasing Authority process, and enhanced tools to monitor and track state agencies' compliance.

Correspondence to State Agencies

In the past, CalRecycle has sent compliance letters thanking state agencies for their annual SABRC report submission and noncompliance letters stating that the state agency did not submit an annual SABRC report and, therefore, did not meet compliance. After review of the FY 2013–14 reporting cycle, CalRecycle emailed letters to each state agency director with more detailed information concerning SABRC compliance and the new process implemented in conjunction with DGS's Delegated Purchasing Authority Unit. Each agency now receives a more specific letter addressing its SABRC compliance status:

- Noncompliant: Report not submitted
- Noncompliant: Report submitted but deficient in one or more categories and did not include agency comments regarding deficiency; therefore, CalRecycle referred the agency to DGS's Delegated Purchasing Authority Unit.
- Compliant: Report submitted, identifying deficiency in one or more categories; CalRecycle response addresses that the report included agency comments that included sufficient reasoning for deficiencies in critical categories; and CalRecycle did not refer the agency to DGS's Delegated Purchasing Authority Unit.
- Compliant: Report submitted and all reported categories met minimum 50 percent requirement.

Referrals to DGS's Delegated Purchasing Authority Unit

CalRecycle refers an agency to DGS's Delegated Purchasing Authority Unit when the agency is deficient, with less than 50 percent of reportable dollars in any category, unless the agency provided a reasonable explanation regarding the deficiency. After DGS and CalRecycle developed the process in 2015, CalRecycle referred 71 agencies to DGS in July 2015 for the FY 2013–14 SABRC reporting cycle. Subsequently, as part of the DGS Delegated Purchasing Authority Unit's review cycle, CalRecycle sent 12 of these agencies a deficiency notice advising them to either correct any misreported information or work with CalRecycle on meeting their minimum 50 percent SABRC-compliant purchasing requirement. CalRecycle reviewed all of the responses submitted to DGS, and all agencies resolved their deficiency by either submitting corrected data or working with CalRecycle on procuring relevant SABRC-compliant products in the future. Additionally, CalRecycle reminded each agency to use the State Administrative Manual, State Contracting Manual, CalRecycle's online manual, and SABRC handout as references. For the initial FY 2013–14 referral, CalRecycle provided follow-up assistance to these agencies (see below).

For the FY 2014–15 SABRC reporting cycle, in June 2016 CalRecycle referred 44 agencies to DGS. This decrease in the number of noncompliance referrals could mean that the process of working through DGS and having CalRecycle provide additional focused assistance is having a positive impact on state agencies, but it is premature to make any final determination about this. However, if the response is similar to the first submittal of noncompliant agencies, CalRecycle expects this process to continue to be an effective means to ensure agencies address and remedy the deficiency issues.

Agricultural Labor Relations Board

CalRecycle staff provided technical assistance to this agency on procurement in all SABRC categories. In the 2014/15 annual report, the agency was compliant in previously noncompliant categories: paper, plastic, and metal products.

California Children and Families Commission (First 5)

The commission provided an adequate explanation for low compliance in the printing and writing paper and paper products categories. The commission also has since corrected its tracking system and provided CalRecycle with corrected numbers for the FY 2013–14 report. The FY 2014–15 report reflects results of the more accurate system.

California Conservation Corps

CalRecycle provided assistance informed the agency of the need to improve its tracking of Cal Card purchases and other purchases. In addition, CalRecycle provided the agency with additional information on SABRC-compliant antifreeze and lubricating oil. The agency has improved in FY 2014–15 for the glass, metals, and paint categories.

California Department of Fair Employment and Housing

This agency provided an adequate explanation for low compliancy in the paper category for FY 2013–14 and subsequently showed more than 50 percent compliance in this category for the FY 2014–15 report.

California Department of Transportation

CalRecycle has ongoing communication with the Department of Transportation. The agency has since found a vendor to procure antifreeze with recycled-content and hopes to improve in this category in the future. This agency has also provided adequate reasoning for its noncompliant tire purchases.

California Energy Commission

CalRecycle provided the agency with technical assistance on paper products, and the agency has agreed to improve its tracking of SABRC-compliant metal product purchasing in the future.

California Highway Patrol

CalRecycle informed the agency that contractors with the state must adhere to SABRC requirements, including the procurement or use of paint, antifreeze, and lubricating oils. The agency's staff in the field and at facilities also needed training on the procurement of SABRC-compliant products. CalRecycle will continue to provide more assistance on procurement and classification of paper products. The California Highway Patrol improved the procurement of printing and writing paper and was compliant in its FY 2014–15 annual report.

California Tahoe Conservancy

CalRecycle provided assistance to this agency and discovered that the agency did not report some products correctly. As a result, the conservancy resubmitted the correct data for the FY 2013–14 report. The conservancy also provided reasonable explanations for the use of specialty paint and the low procurement of tires.

Department of Fish and Wildlife

The agency responded and submitted an adequate explanation on the procurement of glass. CalRecycle provided more information on antifreeze and lubricating oils, along with other information to educate staff procuring products in the field.

Department of Managed Health Care

The agency needed assistance on reporting products in the metals category, identifying and reporting plastic composite products, and communicating with contractors on the purchase of paint.

Department of Motor Vehicles

The Department of Motor Vehicles provided adequate reasoning for the low procurement of glass, paint, and tires. CalRecycle provided information on antifreeze and lubricating oils.

Natural Resources Agency

CalRecycle provided information on deficient categories but will follow-up with additional assistance and monitoring in the future to ensure compliance. CalRecycle provided assistance on classifying and reporting composites in the plastics and metal categories. The agency has faced challenges finding SABRC-compliant paper products at reasonable prices.

Monitoring and Tracking

In 2016, CalRecycle staff will increase monitoring and tracking of an additional 36 agencies that were not referred to DGS's Purchasing Authority Unit because they provided sufficient explanations but may have the opportunity to continue to improve. After program review, staff will follow up with each agency to clarify potential gaps or address challenges and issues.

Summary of Enhanced Online Information and Tools

Although assistance has become broader, described below are the key issues that still exist and how CalRecycle is addressing them:

- **Lack of Training/Education:** Training and education, particularly at larger agencies, needs to be more frequent and to be promoted by agency leadership in order to be effective. Purchasing staff turnover often is high, and even staff educated by the agency's SABRC coordinator may not follow through and purchase SABRC-compliant products. In addition, the employees may not obtain information about the product's PCRC during the purchase, which makes it difficult to report on whether the product is compliant. Information needs to be disseminated frequently to keep agencies updated about the availability of particular products and to reduce the misconception that recycled-content products (such as paint) are lower quality. CalRecycle will continue to work with SABRC coordinators to help them promote procurement of recycled content products to staff. Updated reference and outreach tools are also essential and are being developed by CalRecycle (see below for online tool enhancements).
- **Tracking Purchases:** Many larger agencies have improved tracking of products purchased in the 11 SABRC categories but still may not be including all relevant purchases. For example, CalRecycle worked with the following agencies on data corrections to either include products that were not initially included or reclassify

products to the proper product category: Department of Transportation, California Children and Families Commission (First 5), and California Tahoe Conservancy. In addition, CalRecycle worked with North Kern State Prison to help prison staff understand goals, tools, and tracking. CalRecycle will continue to work with agencies to help them improve their tracking.

- **Limited Vendor Information:** In some cases, agencies may be underreporting because of limited information from vendors regarding the amount of post-consumer recycled content in some products. Many state agencies note this as a problem. For example, although the California Men’s Colony improved drastically in three categories, it still finds that the lack of vendor-supplied information is a problem. CalRecycle is in the process of compiling and disseminating vendor-specific information on how to identify and classify SABRC products (see below for new online vendor information).

CalRecycle continues to update the online tools on its website so coordinators can easily access the most relevant, up-to-date information to assist in procuring SABRC-compliant products. Below are some highlights.

- The SABRC homepage is being updated to focus on “Product Categories” pages. Each page will vary depending on the product category, but at a minimum will include minimum content requirements, a reference to regulations, examples of compliant products, resources and guidelines that may include statewide contracts and associated programs, and status updates on statewide procurement for that category with the top spenders highlighted.
- The Paint webpage is the first of 11 product categories pages that is now complete. This page highlights and gives information on paint and includes a section titled “Misconceptions on Recycled Paint” that provides information on common questions and statements from state agencies. Information on the improved quality of recycled paint in recent years should encourage many agencies to begin purchasing recycled paint. The site provides access to the PaintCare Stewardship Program and associated California recycled paint manufacturers.
<http://www.calrecycle.ca.gov/BuyRecycled/StateAgency/Categories/Paint.htm>
- Webpages dedicated to state agencies by agency type will provide an overview of the operations and needs of agencies that are similar in operations or part of a statewide infrastructure. This will allow users to read about agencies that parallel their own operations and are successful in waste diversion and/or SABRC procurement, including reuse. State agency type pages will also link to case studies to serve as examples of resolved challenges and successful practices. CalRecycle completed webpages that include a [summary](#) and [case study](#) on correctional facilities; the information is available on the state agency website. CalRecycle is

planning to complete additional summaries for the Department of Transportation, State Parks, California State University system, Community Colleges, Fairs, Veteran facilities, Hospitals, and general state agencies that are usually associated with a standard office setting.

- Additional tools and guidelines that have been updated and provided online include:
 - updated training slides with important details about the SABRC program that are primarily intended to train coordinators and help coordinators train their agency's purchasing staff,
 - an updated [composite policy](#) to help agencies classify and claim procured composite products, and
 - an updated two-page handout with a [SABRC overview](#) that is frequently used by state agencies. Updates included subcategories as they appear in the state's Financial Information System for California (FI\$Cal), updated resources, and a clarification and a link to the updated composite policy.

Financial Information System for California (FI\$Cal) and SABRC Integration

The Financial Information System for California (FI\$Cal, <http://www.fiscal.ca.gov>) is a business transformation project for the State of California to combine accounting, budgeting, cash management, and procurement operations into a single financial management system. Since 2012, in a greater effort to track the procurement of SABRC products, CalRecycle has been working with DGS on the SABRC reporting criteria in FI\$Cal.

FI\$Cal has provided the ability for state procurement staff to record SABRC information on purchases. Users can input not only the post-consumer recycled content percentage for the product, but also the total recycled content when available, providing CalRecycle with more information on product availability. However, in order to analyze and report the data captured, FI\$Cal needs to continue its work on the SABRC data export and reporting process. CalRecycle continues to work with FI\$Cal and DGS to complete the SABRC reporting module.

Potential Statutory Changes to Improve SABRC Procurement

While the increase in the procurement requirement—to 75 percent effective in 2020—should help drive more recycled content procurement, the SABRC program is still not achieving its potential, and further changes are needed to provide greater direction and state agency accountability and to facilitate implementation. While it is possible to implement some improvements without statutory changes, a more substantial and enduring approach is needed to ensure expectations and reforms are codified. Thus, potential ideas for statutory changes to improve SABRC and state procurement of recycled content products include, but are not limited to, the following:

- Refine SABRC statutes to include new product subcategories (e.g., for paper and glass) and categories (e.g., for lumber, textiles, concrete, carpet, janitorial products, and printer cartridges); delete select categories where the ability to increase purchasing does not seem feasible and where those categories have little impact on CalRecycle’s mission (e.g., antifreeze); and update some of the existing categories’ minimum content requirements;
- Provide enforcement authority to CalRecycle to address noncompliance with SABRC, similar to the AB 75 (Strom-Martin, Chapter 764, Statutes of 1999) compliance process;
- Clarify that SABRC purchasing and reporting requirements pertain to all state-funded purchases of products, whether through goods or services contracts, whether through a contractor or subcontractor, and whether in statewide contracts or delegated state agency contracts.

Appendix: Categories with Low Purchasing Rates

This section discusses the four categories with low SABRC-compliant procurement rates.

- **Paint:** The statewide compliance rate for post-consumer recycled content latex paint reached 44 percent in FY 2014–15, although overall state spending for paint remained approximately the same this year at \$2,130,959, compared to \$2,047,012 the year before. The overall compliance rate for recycled paint has been low for many years, including the two years prior to this reporting year (27 percent and 21 percent, respectively), in part because some of the spending agencies with the largest expenditures in this category are not buying recycled content paint.

The Department of Transportation, California State University Chancellor's Office, Prison Industry Authority, and Department of Water Resources continue to be the four top-spending agencies in this category, each spending more than \$100,000. The total reportable dollars for the four agencies came to a total of \$1,862,779. This year both the Department of Transportation and the Prison Industry Authority were compliant in this category, unlike prior years. CalRecycle will continue outreach to these agencies.

Other agencies commented in their reports that recycled paint is hard to find and not available locally; not available in smaller quantities; not available in the colors needed; not permitted at high-security correctional institutions; and not suitable for extreme desert temperatures. It also is possible a large volume of paint is purchased as part of service contracts, under which the paint type has generally not been prescribed and rather the choice of paint has been left to the painting contractor. Thus, a primary issue in increasing SABRC-compliant purchasing has been ongoing state agency and contractor education. Agencies and contractors need to be made aware of recycled paint manufacturers, the state contract, and the cost-saving benefits of buying recycled paint. In addition, many agencies do not appear to request color matching or samples, although the state's supplier provides the service (and other vendors may as well). Finally, CalRecycle will evaluate specific needs to confirm if recycled paint can be an alternative in designated circumstances.

DGS publishes recycled paint purchasing specifications whereby recycled paint must meet the same performance specifications as virgin paint, which should help. DGS provides the public with information, specifications, and links to paint contracts on its [Buying Green](#) website. As previously mentioned, CalRecycle created a dedicated webpage on post-consumer recycled paint and will continue to educate state procurement staff about the benefits of using recycled paint.

- **Retread Tires:** The overall purchasing compliance rate in this category is 11 percent, which is a 14 percent decrease over last year, and there was a decrease of approximately \$4 million in the reportable dollars spent on retread tires. Many agencies spent less on tires overall, both new and retread, probably due to a reduced need for the subsequent fiscal year. Overall tire purchases tend to fluctuate every other year. The overall compliance rate has remained low primarily because the top-spending agencies, California Department of Transportation and the California Highway Patrol, are not buying retreads. Again, this alters the overall statewide compliance rate for all reporting agencies, as these two agencies spent approximately \$5 million, accounting for 78 percent of the total reportable dollars in this category, but only 10 percent those dollars were SABRC-compliant. Some state agencies cited Public Resource Code section 42400 et seq., which restricts the placement of retreaded tires on emergency vehicles.

Several agencies noted that retreads overall are hard to find or not available, especially for passenger vehicles. Market availability for retreaded passenger tires remains extremely low in California, and retreads for other vehicles may be compromised by low-rolling restraint tire regulations issued by ARB.

- **Antifreeze:** This category has consistently been low, but it increased to 22 percent in FY 2014–15, compared to 10 percent compliance in 2013–14. The rate was 29 percent in 2012–13. State agencies can buy this commodity on their own, and there is no statewide contract. Agencies have commented that recycled antifreeze is hard to find, and agencies cannot control the choice of products sold or used by contracted vendors. The largest purchaser of antifreeze was Caltrans, which increased its recycled-content purchases from 0 percent to 12 percent.

The Department of Transportation’s overall purchases represent 62 percent of expenditures in this product category. The remaining 24 reporting agencies had a combined SABRC compliance rate of 38 percent, approximately the same as the prior year. Market research is needed to determine existing availability of recycled antifreeze and to consider its current applicability and relevance as a SABRC category.